

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM	ISSUED	REVISED	CHAPTER	SECTION
	Sponsoring Organizations of Homes POLICY & PROCEDURE MANUAL	12/90	6/15	7	7.9
CHAPTER Chapter 7. The Monitoring Visit		SUBJECT SO Disallowances/Deficiencies			

Meals will be disallowed if the records reviewed do not support the claim for reimbursement. If the institution does not agree with the findings of the CACFP staff, an appeal may be filed. See Chapter 12 for how to file an appeal.

Under certain conditions, an institution may be determined to be seriously deficient. Conditions by which a sponsoring organization may be considered seriously deficient may include, but are not limited to:

- Submission of false information on the application;
- Claiming reimbursement for meals not served to participants;
- Failure of a sponsoring organization to disburse payments to its facilities in accordance with the regulations or in accordance with its management plan;
- Claiming reimbursement for a significant number of meals that do not meet Program requirements;
- Failure to maintain adequate records;
- Failure of a sponsoring organization of child care homes to properly classify day care homes as Tier I or Tier II in accordance with the regulations;
- Failure by a sponsoring organization to properly train or monitor sponsored facilities in accordance with the regulations;
- Permitting an individual who is on the National disqualified list to serve in a principal capacity with the organization or permitting such an individual to serve as a principal in a child care home;
- Use of child care home funds by a sponsoring organization to pay for the sponsoring organization's administrative expenses;
- Failure to properly implement and administer the child care home termination and administrative review provisions set forth in the regulations; or
- Any other action affecting the organization's ability to administer the Program in accordance with Program requirements.

If MDHSS-CFNA determines that a sponsoring organization has committed one or more serious deficiency, MDHSS-CFNA must apply the following procedures to notify certain individuals and provide an opportunity for corrective action. MDHSS-CFNA will notify the organization's executive director and chairman of the board of directors and the notice will identify and be sent to the responsible principals and responsible individuals. The notice will specify: 1) the serious deficiency(ies); 2) required corrective action; 3) the time allotted for required corrective action; 4) that the serious deficiency determination is not subject to administrative review; 5) that failure to complete corrective action within the allotted time will result in proposed termination of the organization's contract and the proposed disqualification of the organization and responsible principals and responsible individuals; and 6) that the organization's voluntary termination of its contract will still result in the organization's formal termination and placement of the organization and its responsible principals and responsible individuals on the National disqualified list.

If the sponsoring organization takes corrective action to fully and permanently correct the serious deficiency(ies) within the allotted time and to MDHSS-CFNA's satisfaction, MDHSS-CFNA will notify the SO and the above noted individuals that the serious deficiency determination has been temporarily deferred. The sponsoring organization will be given the opportunity to renew its application if the sponsoring organization is a renewing institution.

If the sponsoring organization has not taken timely corrective action to fully and permanently correct the serious deficiency(ies), MDHSS-CFNA will notify the SO and the above noted individuals that MDHSS-CFNA is proposing to terminate the organization and disqualify the organization and responsible principals and responsible individuals. The notice will provide an opportunity for an administrative review to the sponsoring organization of the proposed termination. Unless participation has been suspended, the organization may continue to participate and receive Program reimbursement for allowable administrative costs incurred and eligible meals served until the administrative review is concluded or the appeal time has expired.

When the time for requesting an administrative review expires or when the administrative review official upholds MDHSS-CFNA's proposed termination and disqualifications, MDHSS-CFNA will notify the SO and the above noted individuals that the organization's agreement has been terminated and that the organization and the responsible principals and responsible individuals have been disqualified. MDHSS-CFNA will update the State Agency list when such notice is issued and provide a copy of the notice and the mailing address and date of birth for each responsible principal and responsible individual to USDA.

In general, MDHSS-CFNA is prohibited from allowing more than 90 days for corrective action from the date the organization receives the serious deficiency notice. However, if MDHSS-CFNA determines that the organization has engaged in unlawful practices, submitted false or fraudulent claims or other information to MDHSS-CFNA, or been convicted of or concealed a criminal background, MDHSS-CFNA is prohibited from allowing more than 30 days for corrective action. For serious deficiencies that require the long-term revision of management systems or processes, MDHSS-CFNA could allow more than 90 days to complete the corrective action, provided the organization submits their corrective action plan and MDHSS-CFNA approves it within 90 days. The corrective action must include milestones and a definite completion date. The determination of serious deficiency will remain in effect until MDHSS-CFNA determines the serious deficiency(ies) has(ve) been fully and permanently corrected within the allotted time.

The National disqualified list will have the following impacts on sponsoring organizations:

- No organization on the National disqualified list may participate in the CACFP as an institution.
- Organizations cannot participate in the CACFP if any one of its principals is on the National disqualified list.
- No individual on the National disqualified list may serve as a principal in any institution or facility or as a day care home provider.
- A sponsoring organization is prohibited from submitting an application on behalf of a sponsored facility if any of the facility's principals is on the National disqualified list.

Once included on the National disqualified list, an institution, and responsible principals and responsible individuals remain on the list until such time as FNS, in consultation with MDHSS-CFNA, determines the serious deficiency has been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, responsible principals or responsible individuals has failed to repay debts owed to the Program, they will remain on the list until the debt is paid.